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Equitable Distribution of Natural Resources

A Legal Principle, a
Normative Guide,
a Negotiating Tool,
or a Pipe Dream?

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for Global Justice

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Executive Summary

The Hague Institute for Global Justice convened a roundtable on the equitable distribution of natural resources with a select group of experts on 10 June 2013 in The Hague. The motivation was to understand how to prevent conflict over natural resources, which are becoming increasingly scarce as populations grow, standards of living improve, and environmental challenges, including climate change, become more acute. The discussion concluded that there is need for urgent action, beyond unrealistic promises of ever-increasing efficiency and toward greater sufficiency. Concrete steps should include the adoption of more sustainable lifestyles, while still permitting growth and progress especially for those least developed today; as well as providing leadership, improving planning and rebalancing the role of state and non-state actors within a rule-of-law framework. On the question posed by the title, roundtable participants concluded that the equitable distribution of natural resources is currently “a pipe dream”, which should be developed into a negotiating tool that leads to changes in normative and legal mechanisms for resource distribution. Participants encouraged The Hague Institute to follow up on this roundtable and pursue specific networking, research, and policy-relevant activities to advance this agenda further.

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Disclaimer

In this brief, the authors have attempted to reflect the essence of the roundtable discussion of 10 June 2013 on the subject. Their interpretation of the main discussion points does not necessarily represent the views of all roundtable speakers and participants, nor of The Hague Institute for Global Justice. The roundtable discussion was conducted under the Chatham House Rule, so no attributions are made to any of the speakers or participants whose names are nevertheless given in Annex I, following their explicit consent to that. For any question or comment please contact the authors.

Introduction

The world population is expected to reach eight billion by 2030, and larger numbers are moving out of poverty and joining the middle classes, especially in emerging economies. This trend of broader development and growth is welcome, as a better life is now within reach for more people than even before. At the same time, demand for natural resources is increasing exponentially, leading to scarcity and even exhaustion of reserves and the destruction of natural carbon sinks. The limits to growth may now be reached, with the Club of Rome's warning proving true after all.¹ Although human ingenuity may further delay a catastrophic overshoot-and-collapse scenario, serious problems remain that should not be ignored.

In view of the strain on resources, and the need to prevent conflict through a broadly legitimate way of distributing what is there, The Hague Institute for Global Justice (“The Hague Institute”) convened a roundtable with a select group of experts on 10 June 2013 in The Hague. The Hague Institute sees this as very much connected to its mission to promote international peace and global justice. Under one of its programs, namely Conflict Prevention, related activities already pursued by The Hague Institute include water diplomacy and the establishment of a Water Diplomacy Consortium with other Hague-based organizations.² Another activity by the Institute covers climate change and conflict, including a cooperative project on climate-induced foreign agro-investment in Africa.³

For the purposes of the roundtable discussion, natural resources were broadly defined to include the atmosphere and the oceans as well as forests, water, and minerals. The discussion thus touched upon global negotiations over climate change; debates about access to food, water, and energy; definitions of global commons; the broader challenges of sustainability; measurements of progress and growth; issues of equity and justice; power relations in the resources debate; and the role of state and non-state actors. This brief aims to reflect the main points of the discussion among the two invited speakers, Dr. Ashok Khosla (co-chair, International Resource Panel) and Mr. Martin Lees (former secretary-general, Club of Rome), and other participants.⁴ A final section summarizes possible follow-up actions.

1| “*The Limits to Growth*” is a report produced for the Club of Rome in 1972 that constructed a model to examine how exponential growth interacts with finite resources, by investigating five major elements of global concern: population, resources, pollution, industrial output per capita and food per capita.

2| See Annex III.

3| *Ibid.*

4| See attached list of participants and detailed biographical notes for the two guest speakers, of whom Dr. Khosla was connected by video from New Delhi.

Current and Future Global Challenges

Roundtable participants agreed broadly on the diagnosis of the current situation: The planet’s resources are being consumed at a much higher rate than they can be replenished, resulting in increasing scarcities, widespread pollution, species extinction, and precarious feedback loops. Especially loops caused by climate change, such as the melting of glaciers and ice caps, may have unpredictable and irreversible consequences if the escalation of their effects proves to be nonlinear and certain tipping points are surpassed. Human civilization has witnessed many positive developments in science, technology, and industry, but its strong reliance on individualism and short-term interests may not be the best guide for coping with current and emerging challenges.

Against the background of dwindling resources, population increases, and growing middle classes, well-off people around the world are adopting the Western model of consumption that has held since the Industrial Revolution. Driven by product promotion and placement, and espousing a quantitative definition of wellbeing, these new world players are creating their own consumerist Arcadias or “Americas,” including hundreds of millions of people globally. Despite rhetoric to the opposite, wealthy nations continue down the same path. Meanwhile billions of people are still living in poverty, without access to sufficient food, adequate drinking water, and basic sanitation.

The resulting competition for limited resources—from water to food, fuel, and minerals—is due to escalate, as foreseen by strategic planners in the U.S. defense and intelligence communities and as already witnessed in intensifying disputes over resource-rich areas, such as the South China Sea and the Falklands/Malvinas. Natural disasters, intensified by climate change, are expected to aggravate the situation and, among other consequences, increase migration, which can lead to further conflict. But justice (or the lack thereof) regarding natural resources is not only reflected in the divide between rich and poor, but also in the respect (or the lack thereof) shown towards other forms of life and

life-supporting ecosystems, and toward future generations, as the world overuses the capacity of the planet by more than 50 percent each year.

The Way Forward

Participants agreed that there is need for urgent action, beyond promises of ever-increasing efficiency and eventual decoupling of resource use and prosperity, which are most probably unrealistic. Concrete steps should include the adoption of more sustainable lifestyles, while still permitting growth and progress especially for those least developed today, as well as providing leadership, improving more planning and rebalancing the role of state and non-state actors within a rule-of-law framework.

To move toward a more sustainable and equitable world, actions would be needed at different levels, in many directions, by various actors individually and collectively.

More sustainable lifestyles, while still permitting growth and progress especially for those least developed today

Instead of putting a focus only on adaptation measures that aim to address the consequences of undesirable actions, or mitigation that tackles the proximate causes, more upstream measures need to be prioritized to tackle the root causes of today’s challenges. We need a civilizational shift—a new, less consumption-based definition of well-being, with new metrics that go beyond GDP to account for natural capital and ecosystem services. Bhutan’s gross national happiness index, based on Buddhist principles, and other such initiatives are interesting points of departure. A civilizational shift would involve setting aside the mainstream Western belief in continuous, linear progress and learning from more holistic approaches, non-Western traditions, and indigenous peoples’ practices. This is not to indict the West or the Industrial Revolution, which have led to some wonderful technological and human rights achievements, but rather to acknowledge the need for a change of course after two hundred years of increasing exploitation

of nature, coupled with conflicts, power grabs, and imposition on others. It should also be an acknowledgement of a trend toward major transfers of wealth from the poor to the rich that has led to unsustainable and unethical situations; the richest three hundred people in the world today possess as much wealth as the bottom three billion people.

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Many hopes have been pinned on increasing efficiency and decoupling natural resource use from prosperity as currently defined. These, however, may be no longer enough with a world population of more than seven billion and many planetary red lines already crossed. Some tough decisions are urgently needed regarding structural changes to our society, values, economic systems, institutions, and choices of technology. Efficiency has to be coupled with “sufficiency”, that is more moderate and more locally anchored production and consumption patterns. The usual policy approach by the G20 and other leaders to temporarily fix economic and other problems by stimulating demand at the expense of nature and future generations is no longer justified.

By emphasizing consumption and technological advancement, we are possibly forgetting the most

advanced research and development available—that is, how nature works to eliminate waste and to regenerate itself. Indigenous peoples and small farmers, who tend to live more harmoniously with nature, often understand these natural processes and know resilience better than aid agencies and companies promoting monocultures. Closer-to-home solutions and holistic approaches can provide us with much food for thought, and actual food for survival.

The essence of the required major shift, however, is a change in human behavior across the board, which would be equally or even more difficult to effect among those who have only recently started to taste the fruits of affluence and consumption. They and those still waiting to achieve such affluence can argue quite validly for why they should be exempt from any constraints. But these arguments cannot change the actual planetary limits that are being reached, and increasingly breached. Developed countries and their populations should lead the way in introducing and implementing measures toward sustainability, changing production and consumption patterns, effecting a transition to sustainable energy, sharing technologies, and accepting responsibility for decades of excess. This will be immensely challenging—especially as the economic crisis across Europe and North America has pushed sustainability lower down developed countries’ policy agendas. Despite the currently low per capita consumption in emerging economies such as China and India, they may also create a path for themselves, achieving a better life without following the same route as the West. China’s emphasis on more sustainable growth and reducing inequality in its twelfth five-year plan could be seen as a start.

Providing leadership, improving planning and rebalancing the role of state and non-state actors within a rule-of-law framework

The major civilizational shift described above would require individuals, communities, governments, and businesses to shoulder their respective responsibilities and stop delaying the necessary actions—the content of which is basically known—

to move toward a more responsible and equitable distribution of resources. Legal instruments for climate change, for example, need to be concluded, leaving aside petty horse-trading to introduce enforcement measures.

To bring about the necessary changes, transformative leadership is required as never before, but seems to be in short supply. It is a common critique that politicians are bound by short electoral cycles and the interests that fund their campaigns, that the media is under economic and political influence and driven by profit, and that the financial world serves itself rather than the broader economy and society. Collectively, though, there are roles for all of these actors to play. Scientists are accused of being too timid and caught up in technical details. They must persevere. Combined with civil society, working alongside intellectual and spiritual leaders, and eventually offering convincing alternative models for life and work, they can contribute to change, not least by influencing other powerful actors.

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The state has to recover its central role in planning for the common good and for the future. That does not mean absolute central planning and control, but it does suggest accounting for the long-term needs and

aspirations of communities and building partnerships with all relevant stakeholders for implementation. Local authorities as well as regional and international organizations can also be strengthened and do more, but the primary responsibility for action still rests with national governments.

Many bureaucracies have divided interconnected issues according to the responsibilities of various ministries and agencies. The result has been different strategies and short-term, sectoral interventions for issues such as climate change, economic planning, and social development. Such strategies must be replaced with an integrated long-term approach. This was the overall message of the UN Conference on Sustainable Development (Rio+20) of June 2012, but this and other multilaterally negotiated documents have been disappointing in their lack of concreteness and implementability.

The weakening of the public sector due to ideological disdain from market fundamentalists over the past couple of decades needs to be reversed, in view of the very real failure of the market to regulate and align itself with the broader public interest. Corporations’ lukewarm commitment to reporting on the social and environmental effects of their work is not enough. Fundamentally, the private sector is viewed to have a different set of interests that they pursue to great lengths, particularly given the enormous amount of power they possess at present. For example, the fossil fuels industry has little interest in keeping oil and gas reserves under the ground, while speculators and hedge funds are driving up food prices around the world, resisting opportunities for positive change.

There is hope, however. Significant forces in the financial sector have realized the impasses in their current approach, and are reconsidering their policies and alignments. Reinsurance companies, having been called to pay hundreds of millions if not billions of extra dollars because of intensified natural disasters, are reevaluating their methods. Central bankers, with their systemic concerns and holistic views, can also be natural allies of a shift toward sustainability. Perverse incentives, such as heavily taxing labor but not resources, should be reversed, as there currently is not enough work for people while the environment is being destroyed. There is need to put a price on “externalities” occurring from resource exploitation.

The public-private debate may be less relevant in the emerging economies of Asia and beyond. In China, the Republic of Korea, and post-Fukushima Japan, central plans clearly focus on tackling major challenges through systemic and systematic interventions. The private sector is involved in these plans in a mutually supportive relationship. Of course, these countries also need to deal with the excesses of conventional growth and to clean up the mess created in the process.

Public participation in managing the commons needs to be strengthened. Currently, powerful corporate interests, promoting their products through a complicit media, manipulate the public. More needs to be done to fully inform people; mobilizing them to act would help discipline both the public and the private sectors, keeping them accountable for their respective responsibilities to use natural resources in more sustainable and equitable ways.

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PostScript

Follow-Up to the Roundtable

Participants of the roundtable believed that equitable distribution of natural resources, resulting in equitable economic development, is currently a pipe dream. It needs to be developed into a negotiating tool to create new norms and legal mechanisms. Participants thus encouraged The Hague Institute to follow up on this roundtable hosting and pursue further networking, research, and policy-relevant activities in this area, including:

- Promoting systemic approaches to planning and implementation that account for the interrelated nature of today's challenges and engage all relevant stakeholders;
- Devising legal strategies that recognize the importance of global public goods and clarify the rights and obligations of states and enterprises;
- Encouraging the development of coalitions of countries with similar interests, such as small island states, on the issue of climate change;
- Encouraging the engagement of the broader public through education and knowledge-sharing, promoting lifestyle adjustments, and creating a movement to pressure public and private institutions to act;
- Formulating a more sustainable vision of life on Earth, using ethical and spiritual arguments and bringing together relevant actors across religious and cultural traditions.

Annex I

List of Participants

The roundtable discussion was conducted under the Chatham House Rule, so no attributions are made to any of the speakers or participants, whose names are nevertheless listed here following their explicit consent to that.

Title	Name	Organization
Ms.	Thirza Bronner	Both Ends
Ms.	Sarah Doornbos	Hivos and Oxfam Novib Knowledge Program
Mr.	Marius Enthoven	UPEACE The Hague
Dr.	Sylvia Karlsson-Vinkhuyzen	Wageningen University
Dr.	Ashok Khosla	International Resource Panel (Speaker)
Dr.	Georgios Kostakos	The Hague Institute for Global Justice (Moderator)
Mr.	Martin Lees	The Club of Rome (Speaker)
Mr.	Satish Sharma	Indian Embassy in The Netherlands
Mr.	Jaap Spier	Dutch Supreme Court
Ms.	Vicky Valanos	The Green Place@Media Wise
Mr.	Wouter Veening	Institute for Environmental Security
Dr.	Thorsten Wetzling	The Hague Institute for Global Justice
Ms.	Ting Zhang	The Hague Institute for Global Justice

Annex II

Speaker Biographies

Ashok Khosla ⁵

Ashok Khosla chairs the board of the thirty-year-old Development Alternatives Group. Headquartered in New Delhi, the DA Group was one of the first civil society organizations set up to address issues of sustainable development as a whole. It also pioneered the concept of social enterprise, creating business-like approaches to eradicating poverty and conserving the natural resource base.

Concurrently, he is co-chair of the UN International Resource Panel. He served as president of the International Union for Conservation of Nature (IUCN) from 2008 to 2012 and co-president of the Club of Rome from 2005 to 2012.

Ashok Khosla became director of the Indian government's first Environment Office in 1972 and then director of Infoterra in UNEP from 1976 to 1982. He has had several official assignments in India and internationally, such as special advisor to the Brundtland Commission (WCED), chair of the 1992 NGO Forum at the Earth Summit in Rio de Janeiro, and special advisor to the secretary-general of the Rio+20 Conference. He has served on the boards of several environmental and conservation organizations, including chair of the Centre for Our Common Future and of Energy Globe, and member of the boards of the International Institute for Sustainable Development (IISD), Stockholm Environment Institute, Zero Emissions Research Initiative (ZERI), Expo 2000, and Toyota Environmental Awards.

He is an officer of the Order of the British Empire (OBE), and has received the United Nations Sasakawa Environment Prize, the World Wildlife Fund's Duke of Edinburgh Medal, the Schwab Foundation Award for Outstanding Social Entrepreneur and the Stockholm Challenge Award. He has a BA in natural sciences from Cambridge

University and a PhD in experimental physics from Harvard University.

Martin Lees ⁵

Martin Lees is a graduate in mechanical sciences from Cambridge University with a postgraduate diploma in European studies from the College of Europe in Bruges, Belgium.

After some years as a manager in industry, he joined the Organization for Economic Cooperation and Development (OECD), where he managed programs on cooperation in science and technology and on innovation in the procedures and structures of government.

He then served at the United Nations in several capacities, including as executive director of the Financing System for Science and Technology for Development. In 1982, he was appointed assistant secretary general. During this period he was responsible for establishing the InterAction Council of former heads of state and government, becoming its executive director.

Martin Lees was adviser to the Chinese government on climate change and other issues for thirty years and was responsible for several high-level programs of international cooperation with China, including the establishment of the China Council for International Cooperation on Environment and Development, of which he was a member for fifteen years.

From 1991–96 he developed and implemented programs of cooperation with the newly independent states of the former Soviet Union as director general of the International Committee for Economic Reform and Cooperation. He also served as moderator of the international advisory board of the Toyota Motor Corporation for thirteen years.

From 2001 to 2005 he was rector of the University for Peace in Costa Rica, and from 2008 to 2010 he served as secretary general of the Club of Rome.

⁴ | See www.devalt.org, www.khosla.in.

⁵ | See www.lzo.org.

Annex III

Initiatives of The Hague Institute for Global Justice in the Field of Sustainability

Water Diplomacy

Who Are We?

Water management and the fair distribution of water is an issue of growing importance on the international agenda. Building on the internationally renowned Dutch expertise in water technology, water governance, conflict resolution, and legal systems, The Hague Institute for Global Justice has joined forces with the Netherlands Institute for International Relations “Clingendael”, Water Governance Centre, UNESCO-IHE Institute for Water Education, and the UPEACE Center The Hague to form a Water Diplomacy Consortium (WDC). The consortium aspires both to become a knowledge hub for water diplomacy, governance, and law, and to contribute to conflict prevention and conflict resolution in relation to water management across and within national borders.

What Is Water Diplomacy?

In the context of this initiative, water diplomacy is defined broadly to include all measures that can be undertaken to prevent or peacefully resolve conflicts related to water availability, allocation or use between and within states. Among these measures are early warning of potential conflict, conflict prevention through better water governance and water management, Track-II facilitation, more formal mediation and arbitration, legal procedures, training and capacity building, knowledge development, and good practice documentation.

Goals and services

Collectively, the WDC partners combine capacities in diplomacy and conflict resolution, international (water) law, water systems, water governance, and water management. These cover the spectrum of water diplomacy broadly defined from both an academic and a practical perspective. The WDC thus serves as global hub for water diplomacy in theory and practice, and offers the following services to governments and public entities at all levels, intergovernmental organizations, civil society organizations, and other stakeholders that need assistance in the field of water diplomacy:

- advisory services to governments and public entities at all levels on improving water governance and management systems;
- training and capacity building on a broad range of water diplomacy issues;
- knowledge exchange and partnerships among water diplomacy stakeholders;
- advice on conflict resolution methods, from facilitation to mediation, conciliation, arbitration, and adjudication;
- direct assistance as an honest broker in conflict resolution;
- advice or direct assistance on post-conflict peace building in and through the water sector;
- research and publications, including case studies and good practices, on water conflict prevention and resolution issues;
- organization of conferences and other events, including online activities, on water diplomacy for experts or the broader public.

Climate Change and Conflict

Climate change threatens the basic needs and human rights of individuals and communities. Extensive research in the natural sciences has laid a solid foundation for an emerging consensus on the phenomenon and man-made contributions to it. However, the social implications of climate change need further illumination. This project aims to overcome important knowledge gaps through in-depth case study analyses and integrated stakeholder dialogues on climate change-induced sociopolitical tensions. In May 2012, The Hague Institute for Global Justice commissioned Prof. Jonathan Verschuuren and Dr. Floor Fleurke, both at Tilburg University, to conduct a feasibility study on the state of the art of academic research on the relation between climate change and conflict. The authors presented their study to a multidisciplinary group of renowned experts from around the world in October 2012. The comprehensive feasibility study and the rich discussions at the expert workshop allowed the project team to focus on the roles of public institutions and legal regimes in preventing conflict.

In November 2012, the Netherlands Organization for Scientific Research–Science for Global Development (NWO-WOTRO) awarded a joint proposal development grant in response to our proposal for a project on climate-induced foreign agro-investment in Ethiopia and Uganda. In February our project consortium (The Hague Institute for Global Justice, Tilburg University in the Netherlands, Addis Ababa University in Ethiopia, North-West University in South Africa, Advocates Coalition for Development and Environment in Uganda, and the Movement for Ecological Learning and Community Action in Ethiopia) organized a joint workshop in Potchefstroom, South Africa and a full proposal was submitted in March 2013.



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